

Message Text

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ACTION ARA-10

INFO OCT-01 AF-08 EUR-12 EA-07 NEA-10 ISO-00 ERDA-05
AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-08
FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01
PM-04 USIA-06 OES-06 SP-02 SS-15 STR-04 TRSE-00
ACDA-07 FEA-01 PA-01 PRS-01 /138 W
-----242349Z 026057 /66

R 241701Z JAN 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 6337

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USINT BAGHDAD

AMCONSUL DHAHRAN

C O N F I D E N T I A L CARACAS 0714

E.O. 11652: GDS

TAGS: ENRG, OPEC, VE

SUBJECT: VENEZUELAN MINISTER OF MINES COMMENTS ON
PETROLEUM SITUATION

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1. DURING THE COURSE OF A CONVERSATION ON
JANUARY 21 ON ANOTHER SUBJECT THE MINISTER OF MINES
MADE A SERIES OF INTERESTING POINTS REGARDING OPEC
AND PETROLEUM WHICH MAY BE OF GENERAL INTEREST.
THE POINTS HE MADE WERE:

A) IN THE RECENT OPEC MEETING AT DOHA,

VENEZUELA PLAYED A MODERATE, BRIDGE BUILDING ROLE. MOST OF THE PARTICIPANTS WANTED A 15 PERCENT INCREASE. VENEZUELA PROPOSED 10 PERCENT AS A COMPROMISE. EVEN YAMANI WAS INTERESTED IN THIS AND HIS TRIP BACK TO HIS CAPITAL DURING THE CONFERENCE WAS TO OBTAIN APPROVAL TO SUPPORT IT. HE OF COURSE FAILED.

B) SAUDI ARABIA'S POSITION WAS BASICALLY MEANT TO BE A FAVOR FOR THE US TO OBTAIN US SUPPORT FOR A FAVORABLE MIDDLE EAST SETTLEMENT. IT WAS ALSO CONCERNED OVER THE EFFECT OF PRICE INCREASE ON SOME OF THE ADVANCED COUNTRIES' ECONOMIES, BUT ESSENTIALLY ITS STAND WAS A POLITICAL ONE.

C) VENEZUELA BELIEVED ANOTHER MEETING OF THE OPEC MINISTERS BEFORE JULY WAS IMPORTANT. IT IS STILL TOO EARLY TO HOLD SUCH A MEETING NOW HOWEVER. NO ONE KNOWS WHAT THE SITUATION REALLY IS YET. MOREOVER THE GOV BELIEVES THAT ANY MEETING MUST INCLUDE SAUDI ARABIA AND THE EMIRATES. VENEZUELA DOES NOT AGREE WITH PROPOSALS FOR EMERGENCY MEETING OF THE ELEVEN "TEN PERCENTERS" WITHOUT SAUDI ARABIA. SUCH A MEETING WOULD BE DANGEROUS, SPLIT OPEC AND ENCOURAGE EXTREMISM.

D) THE MINISTER FELT STRONGLY THAT SOME STABILITY AND ORDER MUST BE PUT INTO THE PETROLEUM PICTURE. WHAT OPEC SHOULD DO FOR EXAMPLE IS TO TAKE LONG-TERM DECISIONS. FOR EXAMPLE IT SHOULD SET A FIXED PRICE FOR TWO TO FIVE YEARS.
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E) VENEZUELA IS INTERESTED IN DIVERSIFYING ITS MARKETS BUT IT MEANS BY THAT MAINLY MARKETING CHANNELS, NOT GEOGRAPHIC DESTINATIONS. FOR EXAMPLE, IT DOES NOT WANT TO LOWER ITS EXPORTS TO THE US. ON THE OTHER HAND IT WOULD BE INTERESTED IN SELLING MORE OIL DIRECTLY TO US REFINERIES AND US END USERS AND LESS THROUGH THE MULTINATIONALS.

F) VENEZUELA ESTIMATES ITS "PROBABLY" RESERVES NOW AT 35 BILLION BARRELS. IT PLANS TO MOUNT A PILOT PROJECT TO PRODUCE 125,000 BPD FROM THE TAR BELT WITHIN FIVE YEARS. ADEQUATE EXPLORATION AND EXPLOITATION OF THE TAR BELT WILL TAKE AN INVESTMENT OF A BILLION DOLLARS.
VAKY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PETROLEUM INDUSTRY, POLICIES, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA00714
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770025-0988
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770125/aaaaawde.tel
Line Count: 113
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Litigation History:
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Original Classification: CONFIDENTIAL
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: CONFIDENTIAL
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Reference: n/a
Retention: 0
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3524902
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Status: NATIVE
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TAGS: ENRG, VE, OPEC
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